

Fresno, California

May 25, 2007

The City Council met in special session at the hour of 8:30 a.m. in the Council Chamber, City Hall, on the day above written.

Present:	Brian Calhoun	Councilmember
	Mike Dages	Councilmember
	Cynthia Sterling	Councilmember
	Larry Westerlund	Councilmember
	Blong Xiong	Acting Council President
	Henry Perea	Council President

Absent:	Jerry Duncan	Councilmember
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Andrew Souza, City Manager
 Bruce Rudd, Assistant City Manager
 Jon Ruiz, Assistant City Manager
 James Sanchez, City Attorney
 Becky Klisch, City Clerk
 Cindy Bruer, Deputy City Clerk

(8:30 A.M.) CONTINUED HEARING ON THE FY 2008 CITY OF FRESNO BUDGET

DEPARTMENT OF PUBLIC UTILITIES
 ECONOMIC DEVELOPMENT DEPARTMENT
 TRANSPORTATION

DEPARTMENT OF PUBLIC UTILITIES

City Attorney Sanchez gave a PowerPoint on his department and proposed budget which included a mission statement, organizational chart (with introductions made of his management team in attendance), best practices to fulfill the department's mission, office staffing, revenue and expenditure status as of May 15, 2007, the general efforts throughout last year including a reorganization and aggressive recruitment efforts to add one more legal assistant to the department, contract legal services summary, accomplishments of each unit, challenges for fiscal year 2008 and summary of fiscal year 2008 unfunded budget requests to equal three initiatives for an additional amount of \$237,100.

Mr. Sanchez, Budget Manager Smith and City Manager Souza responded at length to questions/comments of Councilmembers Westerlund, Calhoun, Dages, and Sterling relative to contracting of legal services, the decrease in workers' compensation claims and how would a legal assistant assist in processing the claims, and recruitment and retention in the amount of \$163,000. Councilmember Westerlund recommended a workshop be scheduled after the budget process to assist in making the contract compliance more efficient. **(2-0)** Questioning continued regarding the reason for adding one more legal assistant.

MOTION – **Calhoun/no second** - Add \$50,000 for an additional legal assistant position, add \$24,000 to Operations, not to include recruitment and retention.

Councilmember Dages stated he would have supported the above motion if it had included the recruitment and retention portion. Discussion ensued regarding past budgets where Council would give direction to staff and staff would find the funding, and with the Strong Mayor form of government in place, Council needed to find the funding.

MOTION – **Dages/Perea** – Direct staff to fund the \$237,100 to include three initiatives of 1. reduce outside counsel reliance, adding one legal assistant in the amount of \$50,000; 2. recruitment and retention in the amount of \$163,000 and 3. operations in the amount of \$24,100.

Mr. Sanchez stated there would be an increase in revenue by increasing rates, noting the department's rates had not been increased for four years, adding he was not ready to recommend the increase at the present time, it was just in the exploratory stage.

CITY CLERK

City Clerk Klisch thanked the budget department for their work in preparing the Clerk's budget, gave an overview of her department's mission and proposed budget, elaborating on the only increase requested was for funding for stationery supplies, and along with Budget Manager Smith, responded to questions and/or comments of Councilmembers Westerlund and Sterling relative to liability charges, performance pay, microfilm versus microfiche, and responded to a concern with the Clerk's telephone calls going through the call center. Ms. Klisch responding to what the Clerk's top three needs were stating more advanced knowledge on technology, training and the need for an increase in stationery supplies. Councilmember Sterling requested meeting with the Ms. Klisch after the budget process to discuss the possibility of outside temporary help.

AIRPORT DEPARTMENT

Airports Director reviewed the fiscal year 2007 accomplishments to include passenger count of 1.281 million passengers; 47,488 between Guadalajara and Fresno on Mexicana Airlines; Solar Energy project; consolidated rental car facility, Scott Aviation's new 43,000 square foot hangar; continued increase in non-airline revenues; Chandler Airport restaurant and terminal exterior painting of historic building; **(3-0)** reviewed the strategies and tactics for fiscal year 2008, revenue and expense summary, proposed budget for fiscal year 2008 and responded to questions/comments of Councilmembers Dages, Calhoun, Westerlund and Sterling relative to extension of runways, raising land fees, and reviewed the solar energy project. Mr. Widmar stated the Airport's top three projects were 1. to continue to provide safety and security to the Airport, 2. increase customer satisfaction and 3. air service development.

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BREAK – 10:50 A.M. – 10:55 A.M. Councilmember Sterling arrived shortly thereafter.

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FINANCE DEPARTMENT

City Controller/Finance Director Rousseau reviewed the department's organization chart, reviewed their mission statement (with introductions made of his management team in attendance), service overview, accomplishments for each division, adding no additional staff was being request this budget year, reviewed the operation budget plan, showed a pie chart of the fiscal year 2008 operating budget. At the hour of 11:31 a.m. Councilmember Westerlund left the meeting and returned at 11:34 a.m. **(4-0)** Mr. Rousseau continued his review of service impacts/challenges to include the business license and permit software and the cost increase for the independent auditor services; the fiscal year 2009 balanced budget protection plan; PeopleSoft HRMS upgrade; CAFR automation and the City's fixed assets and responded to questions and/or comments by Councilmembers Calhoun and Westerlund, pertaining to closing of gaps where people got away without paying for lapsed loans and not paying for services, noting it was important to follow through. Councilmember Westerlund questioned an error in the organizational chart, stating the Budget Manager did not report to the Controller, with Chief Assistant City Attorney Hale stating the City Council had the authority to re-structure the chart, with brief discussion ensuing. Questioning continued regarding thee fixed assets; the length of time to prepare and distribute the CAFR, number of employees in the department; the status of the financial audit and the CPA Firm performing the audit; the collection rates and the history of the structural imbalance.

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DIRECT STAFF TO RETURN TO COUNCIL WITH AN AMENDMENT TO AAR NO. 2006-253 APPROPRIATING \$1.2 MILLION OF GENERAL FUND DOLLARS FOR THE PGA VETERAN'S CHAMPION GOLF TOURNAMENT CONTINGENT UPON AN AGREEMENT WITH THE PGA FOR A MINIMUM FIVE YEAR COMMITMENT TO HOLD A PGA GOLF TOURNAMENT AND CONTINGENT UPON A MATCHING GRANT OF \$1.2 MILLION DOLLARS OR GREATER AMOUNT RAISED FROM THE PRIVATE SECTOR

LUNCH – 12:05 P.M. – 1:15 P.M.

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FINANCE DEPARTMENT – (CONTINUED)

(5-0) Councilmember Sterling questioned the department's top budget needs with Mr. Rousseau stating to continue with a good working environment, changes in billing which would provide data from the business environment and initiatives in the treasury area such as the investment pool and the use of credit cards in a more business-like manner. Acting President Xiong questioned the City re-investing with local community banks with Mr. Rousseau stating the issue was being reviewed as to the legal aspect, adding the report should be presented to Council approximately mid June.

PERSONNEL DEPARTMENT

Personnel Services Director Bond introduced her management team in attendance, reviewed the organizational chart; accomplishments for the administration, operations and development; Labor Relations; Risk Management, adding the amount of claims had decreased 3.8%; Community Health and Wellness Fair – 2006 Partnership with Kaiser Permanente and Personnel Service Department budget. Ms. Bond stated there were two budget requests for a total of \$476,000 for the increased outside legal services due to expanding case load for property and liability claims which necessitated assigning more cases to outside counsel and \$199,000 to continue leadership development opportunities for employees through supervisor academies, forums, and other career development programs. Councilmember Calhoun questioned the budget request for the charges for services, stating it had increased from \$16,000 to \$270,000 with Ms. Bond responding. Questions continued relating to Imagine 21 classes and outside counsel. Ms. Bond stated her three priorities for the fiscal year 2008 was to upgrade PeopleSoft, the request of \$476,000 for outside counsel and \$199,000 to continue training. Councilmember Sterling commended Personnel staff for hosting the Health and Wellness Fair and the attendance of Magic Johnson and thanked staff for their hard work.

(6-0) Councilmember Westerlund questioned the funding for handling claims, Risk Management's property liability, Imagine 21 funding for \$65,000 and outside counsel with Ms. Bond, Budget Manager Smith, Risk Manager Turner and City Attorney Sanchez responding. President Perea thanked staff and stated he was happy to see an emphasis on leadership, development and continued training.

The hearing on the FY 2008 City of Fresno budget was continued to Thursday, May 31, 2007, at 8:30 a.m. to discuss the Department of Public Utilities, Economic Development Department and Transportation.

ADJOURNMENT

There being no further business to bring before the City Council, the hour of 2:01 p.m. having arrived and hearing no objections, President Perea declared the special meeting adjourned.

Approved on the _____ day of _____, 2007.

President Perea

ATTEST: Cindy Bruer, Deputy City Clerk

